

**RFP Implementation Team (RIT) Meeting
Grimes State Office Building, 1st Floor
400 E. 14th Street, Des Moines, IA 50319**

November 14, 2011

To ensure the most efficient use of State resources, the November 14, 2011, RIT meeting will be held via a video conference pursuant to Iowa Code section 21.8. Members of the public and interested person are invited to attend the Commission's meeting via video conference. A video conference also ensures more attendees will be able to participate in the meeting and reduces the risk of delays caused by weather or other impediments to travel. The meeting was also accessible to members of the public through attendance at the Grimes State Office Building.

RIT Members Present:

Dave Lingren, Iowa Telecommunications and Technology Commission
Meghan Gavin – Office of the Attorney General
Sergeant Tom Lampe – Iowa Department of Public Safety
Senator Matt McCoy – Senate
Andy Nielsen – Office of the Auditor of State
Representative Walt Rogers – Iowa Republican House
Todd Schulz – Governor's Office/Iowa Department of Management
Art Spies – Iowa Hospital Association
Representative John Wittneben – Iowa Democrat House

RIT Members Absent:

Jeff Berger – Iowa Department of Education
Mark Headlee – Judicial Branch

Iowa Telecommunications and Technology Commissioners Present:

Commissioner Dick Bruner – Iowa Telecommunications and Technology Commission

Fiberutilities Group Staff Present:

Dave Lunemann, Fiberutilities Group
Rob Smith, Fiberutilities Group
Jerry Romine, Fiberutilities Group

Iowa Communications Network Staff Present:

Joseph Cassis, Chief Communications Officer
Will Walling, Network Operations and Engineering Director
Deb Evans, Finance Manager
Phil Groner, Business Services Manager
David Marley, Network Operations and Engineering Manager
Tami Fujinaka, Government Relations Officer
Jontell Harris, Executive Liaison
Lori Larsen, Public Relations Officer
Alexis Slade, Executive Secretary (Recorder)
Christopher Hannan, Intern
Vicki Wallis, Network Planning Engineer

Guests:

Joe Hrdlicka, Iowa Telecommunications Association
Lon Anderson, Iowa House
Judy Krewson, RIITA
Wayne Johnson, Century Link
John Korkie, Century Link
Anna Hyatt-Crozier, House Democrat Staff
Marcia Tannian, Legislative Services Agency (LSA)
Kathy Goebel – Iowa Central Community College
Denise Norman – Iowa Western Community College

House File 45 Overview and ICN History – Dave Lingren

House File (HF) 45-Section 8 is a law that instructs the Iowa Telecommunications and Technology Commission (ITTC) to create a Request for Proposal (RFP) for the sale/lease of the Iowa Communications Network (ICN), which was signed into law in Spring 2011. The ICN had to analyze whether or not we had the internal resources to write this RFP. ICN's network is very complicated, so when we looked at creating an RFP to sale or lease the organization it was realized that it would take a lot of resources to do that. Due to the amount of other projects being worked on, ICN determined that we're not able to create the RFP with the current staff we have on hand. A decision was made to look at a contracting effort. Due to the timeframe and ICN's need to have the RFP completed, we considered an emergency procurement of a consultant. Upon researching that possibility ICN received the advice that would not serve the best interest of the public, primarily because ICN couldn't determine if we received the lowest and fairest rate in that procurement. The ICN created an RFP to hire a consultant to assist in the writing of an RFP to sale/lease the ICN. As a result of the RFP, Fiberutilities Group (FG) from Cedar Rapids, Iowa was contracted as the Project Manager (PM) for this project.

The RIT was formed because HF 45 gives clear direction for the ITTC to follow in many areas, but there are areas the ITTC still needs some feedback on. The ITTC wants to give stakeholders the opportunity to inform them of where their interests are. It is the responsibility of the ITTC to write the RFP, release it for bid, score the received responses and evaluate them, then present recommendations to the Governor's Office. The RFP shall provide for the sale of the ICN to be concluded or the lease to commence during the Fiscal Year (FY) beginning July 1, 2012. The RFP must be completed by June 30, 2013. Whoever buys or leases the network will have to provide services to all authorized users, whether they are using services today or not, and must do so at a rate lower than what the ICN currently charges. The ITTC must submit periodic status reports to the General Assembly at three-month intervals, beginning on October 1, 2011, regarding the progress made toward selling or leasing the network. The ICN has already completed the first progress report and it has been submitted to the legislative body.

The ICN has been in existence for nearly 20 years. There was a law passed in 1993 that was for the construction of the ICN. The ICN wasn't built all at one time; putting fiber in the ground and building a network took time. The ICN was designed to replace the microwave system the community colleges were using in Iowa, such as distance learning and communications amongst the community colleges. The Part I build connected the community colleges, Board of Regents (BOR) Universities, Iowa Public Television (IPTV), the Lucas building located on the Capitol Complex, and the ICN hub. Part II took those locations and expanded it so that the ICN had a presence in all 99 counties. Once all 99 counties were constructed the next part of the legislation provided that the State build fiber-optics from that configuration to serve all of the K-12, private schools, state agencies, and state offices with that fiber and then turn it over to local providers. The Part III fiber is leased to the State (ICN) from the local provider.

Initially the responsibility of the ICN was limited to provide distance learning with video services. Although the classrooms in the schools and other places might be called ICN classrooms, the ICN does not own the rooms, but simply provides the services. In 1997, the legislature gave ICN an additional responsibility. At that time, there was the Department of General Services under the Executive Branch and they provided phone services to the Capitol Complex. By purchasing the phone system it became a state owned asset that remains today and it is a rather large implementation of telephone services. Legislature took the telecommunications function for State government and brought them under one entity, the ICN. Video, Voice, and Data were consolidated within the ICN rather than both General Services and ICN providing these services separately.

ICN Services and Network – Will Walling

Voice Services – ICN provides the Capitol Complex (CC) with all their phones as well as analogue lines for devices like modems and fax machines. The ICN has approximately 9,000 phones that we're providing on the CC and throughout the metro area to remote locations and approximately 1,700 analogue devices. ICN has 13,700 ports on that system.

The ICN administers and maintains the Inmate Calling System to the Department of Corrections (DOC) which is a long distance and local calling system. ICN reviews the accounting and phone call reports for the inmates' individual calls to ensure the inmates are only calling people they are authorized to call and that they have enough money on their calling cards to make calls.

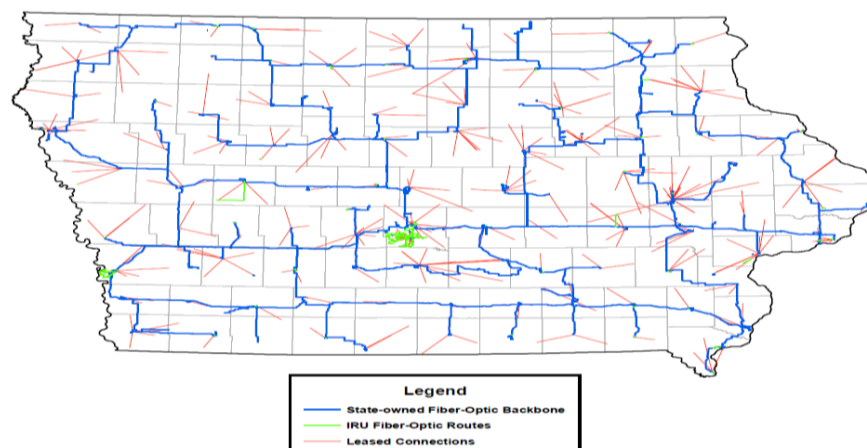
Long Distance – ICN consolidates long distance services for both the outgoing calls from the phones on the CC as well as for the remote sites. ICN also consolidates the 800 number terminations. The state has many 800 number terminations that come through a switch the ICN has.

Video Conferencing and Distance Learning – The ICN provides services that allows for facilities to schedule classes from a distance. ICN has a video core which allows communications where there are multiple sites looking at a presentation being shown from one central location. ICN is in the process of moving that aggressively to a new data or a packet based IP capability.

ICN is currently working on a project in the Video Services arena. The traditional services are a proprietary system that was put together to meet the needs of the video classrooms and the video conferences at the time with what was available. The existing video platform utilizes a proprietary protocol which restricts it with other standards based services offered by other providers. For example, when this system was used to do the freedom calls with the armed forces overseas, ICN had to find a way to allow the systems that were being used on the military's remote end to work with the video that was being provided by the ICN. ICN is now working on a project that would allow us to preform that integration more uniformly and make it easier where we have bridges in the middle of the network. Currently, the ICN utilizes a microphone and the push-to-talk camera control system. The new service the ICN is developing will allow for camera auto-tracking capabilities to replace the current method. The service will also provide new functions to include video session recording. This new system will allow ICN to retire the older systems in a couple of years as people are able to buy new hardware and get to the new systems.

Internet Services and Data Networking – ICN is an internet service provider, which allows our customers to access the World Wide Web through the connections we provide. ICN also provides routing services for the State. As a private data networking provider to those networks and to authorized end users, the ICN provides the capability to have an internal or private network across the area so they can have remote offices communicate with clients through a secure system. ICN consolidates Internet use from all of the authorized end users that are part of our network, which uses the BOR Internet access, providing more bandwidth from a connectivity perspective. With that you get the volume and discounts in price, so ICN is able to provide a very low cost for Internet service to end users.

State-Owned Fiber and Leased Fiber/Connectivity



The State owns fiber that terminates in all 99 counties, which represents the Core network that may be sold or leased as part of the RFP. In addition to the state-owned fiber, ICN leases some fiber and has long-term agreements called the Indefeasible Rights to Use (IRUs), which allows us access to these fibers. ICN is also part of an organization called the Des Moines Metronet, where fiber is leased to get around the city of Des Moines and to different locations in the Metro area. The use of leased fiber is going to be something that'll have to be discussed during the RFP process.

Networks – On the CC there's a combination of copper and fiber connections. There are rooms in all of the CC buildings that have connectivity to the dual systems in the Lucas building and the Joint Forces Headquarters.

Equipment Summary

Equipment Type	Quantity
Video	1636
Optical	123
Data	894
Power / Environmentals	346
System Support	204
Transport	1934
Voice	209
Healthcare Owned	301
Inmate Calling System (Vendor Owned)	23
Other (Cable Termination Equipment)	2318
Total	7988

This list does not include the phones on the CC or the phones at the institutions for the Inmate Calling System. The inventory for the Inmate Calling System is owned by the vendor GTL, but the services to the inmates are managed by the ICN as a benefit to the DOC.

Federal Broadband Technology Opportunities Program (BTOP) – This project will allow the ICN to update some equipment within our network. Because of the grant, ICN will be able to provide connectivity in places where otherwise it would be difficult to say the return on investment in that particular location would justify the build out. This project will also allow ICN to connect over 100 law enforcement and Public Safety Answering Points (PSAPs) for the next generation 911 services for the state. ICN will be the backbone network with that, working with Homeland Security and the Public Safety Department.

Q. What is the total award amount for the BTOP grant and what are the stipulations?

A. \$16.2 million is the total amount awarded for that grant. One of the stipulations for getting the grant is that ICN will receive 70 percent of the funds from the Federal Government and the ICN has to have 30 percent matching funds which can be provided in a variety of ways. For example, those funds could be in the form of in kind services or it could be funds for ICN employee services and IRU's being purchased for the project. According to the Federal Government there should not be any complications for anyone to purchase or lease the ICN in regards to the BTOP grant as long as they agree to the same terms and conditions the ICN has agreed to.

Assumption Proofing Process – Dave Lunemann, Vice President of Fiberutilities Group

HF 45-Section 8 as amended directs for the creation of an RFP to sale/lease the ICN. An RFP can only be created if the foundational assumptions that go into constructing and building that RFP are aligned and correct, so that's what the assumption proofing process will be. The RIT's role in this process will be to make sure that the various stakeholder groups as well as the public's opinions and suggestions are heard. FG's role is to receive and record that input. The legislation is very clear, but to construct the RFP we have to at some point say here are the assumptions the RFP will be constructed under. FG will ensure the process is structured, fair, open, transparent and most importantly conducted in a documented environment.

The stakeholder groups are consisted of 11 individuals who are part of the RIT. The ICN, ITTC, IGOV, Governor's Office, Department of Management, Iowa Attorney General's Office, Iowa Auditors Office, Republic House and Senate Caucus, Democrat House and Senate Caucus, Judicial Branch, Public Safety, Healthcare and Education are the stakeholders on the RIT.

Note: It has been requested that the primary members on the RIT assign a secondary member to attend in their absence.

The first meeting is the organizational session. There are eight sessions scheduled to be held every Monday from 10:00am - 12:00pm. The next meeting will be the start of the RIT assumption review. All eight sessions may not be necessary, but if at the end of the meetings scheduled there is need for more time, as the team gets closer to that period then we'll discuss how to handle that. The first three meetings have locations set up; there will be an announcement of the locations for the last five meetings when those locations have been secured. The meeting dates and locations will be posted and made available for the public.

The final deliverable will be a comprehensive document that outlines all the discussions that we're engaged in and all the input relevant to the assumptions. The assumptions are going to be submitted to the ITTC to determine what will be used to construct the RFP. Stakeholder discussions and feedback will be recorded. Preferences will be recorded, which is different than a vote, as well as stakeholder participation which will all be documented. The overall project timeline will flow as follows:

Project Milestone	Completed by
RIT Formation and Proofing of Assumptions	1 FEB 2012
Creation of an executable Project Plan for RFP	1 MAR 2012
Detailed data gathering / analysis and RFP formatting	31 DEC 2012
Final approval of "ready to post RFP" for Sale or Lease of the ICN	31 JAN 2013
Posting, data management, and compliance monitoring to accept bids in response to the RFP	15 MAR 2013
Organization of bid response data and response scoring by ITTC	15 MAY 2013
Documentation of final IGOV recommendation(s) for action based on offers made	30 JUN 2013
Compliance with HF 45 project is complete	30 JUN 2013

The public may be involved with these meetings, but the RIT must be cognizant because HF-45 directs a time sensitive deadline. The roster of all attendees of the meetings will be published and sent out to all the RIT members before the following meeting. An initial list of the foundational assumptions will be distributed on November 14, 2011. RIT members are encouraged to submit new assumptions they feel need to be presented to this group before we finalize assumptions.

Every meeting will begin with roll call of the RIT members in attendance. The RIT will go over each individual assumption in the order they are listed on the list and then we'll open it up for discussion, clarifications, questions, or comments. Discussions on each assumption will need to be limited for time purposes to 30 minutes per assumption. At the end of the discussion period FG will call for and record a preference to be stated from each RIT member as read: "I agree with it, I don't agree with it, or I have no opinion". This is very different than a vote. The quantitative expression of stakeholder desires on a specific assumption will be very

helpful information to the ITTC as they make their determination during the final construction of the RFP. All input will be recorded and an assumption document will be created. The last 15 minutes to each meeting will be dedicated for public comments.

FG will report the progress of the RFP, as is mandated by legislation, to the appropriate parties. The first official report will be due around the first week of January 2012. FG has been retained by the ICN and ITTC as the PM to oversee the process of putting together this RFP and it starts with this foundational assumption approving process. FG is participating in these meetings to ensure all the steps are completed to comply with the legislation on the creation of a very complicated RFP. FG is a neutral party and will not have any input to what the assumptions or discussions are.

Assumptions, Definitions and Examples – Rob Smith, Fiberutilities Group Vice President

The assumptions are not FG's assumptions, and they have no input. FG's job here is strictly as facilitators, managing the process and making sure the project stays on track. The initial assumption list contains 29 assumptions that were created by the ICN and the ITTC. Each assumption is a declarative statement that is defining what could be the basis of the RFP. Stakeholders may add new assumptions to the list and can be anything that doesn't contradict the legislation.

Note: Submit all assumptions to Jontell Harris via email at Jontell.Harris@iowa.gov.

Questions

Q. Why is the RIT meeting in eight sessions? Is it possible to have these meetings in two or three half-day sessions?

A. Initially the thought process was that once the legislation session begins they meet sometime around noon and one o'clock on Mondays. Since the RIT members will need to travel here for legislation sessions they will already be here and the time of the meetings would not interfere with legislation session times. If members would like to make the meetings longer and more compacted that can be done. Because this is the first organizational meeting we can have discussions on this. There are two persons on the RIT who are traveling in.

The current schedule was created because FG wants to give stakeholders time to discuss the assumptions with their constituents. If we change the schedule to longer meeting times we may need to have a longer time in between meetings so that stakeholders have time to discuss the points of the meetings.

Note: It was suggested and agreed upon that the RIT meet for the next meeting at the scheduled time and timeframe, then at the end of the meeting come to decision on whether to change the meeting dates or times.

Q. How does the Iowa Rural Health Telecommunications Program (IRHTP) fall into this RFP?

A. ICN and the State do not own the connections to each of the participating members of IRHTP, and ICN is not the grant awardee. The Iowa Hospital Association (IHA) received a Rural Healthcare Pilot Program award three years ago to build out the last line of connections to the Iowa Hospitals and contracted the ICN to do that build out. Any transfer of ownership of the network would be of interest to the IHA.

The following questions will be answered at the November 21, 2011, RIT meeting:

Q. When ICN was going through the history of the network going back almost 20 years it was indicated that there's been investment in Part I, II, and III of the creation and you kind of outlined in a helpful way what the process of building out the ICN network was. What is the total dollar amount appropriated from the General

Assembly for Parts I, II and III today for all purchases, staff, assets, operations, and investment by or through the Department of Education, Department of Corrections, General Assembly, Homeland Security, and Public Safety with respects to the ICN network?

Q. From an engineering standpoint can the ICN provide some kind of projection as to what the cost will be for the Video Services Project as well as an implementation timeline?

Q. Can the ICN explain what the Des Moines Metronet is, how is it composed and put together?